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February 6, 2002

Laura Doll
Chief Executive Officer
State of California
Consumer Power and Conservation Financing Authority
901 P Street; Suite 142A
Sacramento, CA 95814

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EPI Ref: State of California
Subject: Comments to the draft version of "Clean Growth"

Dear Ms. Doll:

Please find my comments to the draft version of "Clean Growth." I hope that you find them useful.

Page 5 There is an over emphasis on wind, i.e., 3,000 MW by 2006. Wind is not a firm capacity resource. Wind does not generate environmental benefits that derive from an environmentally elegant way of disposing of biomass. The environmental benefits of \$107/MWH are not associated with wind. The significant employment opportunities associated with biomass are not associated with wind.

Page 6 Clean Energy Financing

The CPA has a significant role in financing new construction and refurbishment of biomass plants with the cost savings due to reduced interest rates passed on to consumers.

Page 17 Grid Renewable Projects

Having 1845 MW of wind out of the 2,439 MW of LOI's puts a dramatic over emphasis on wind. Again, for the reasons listed above, wind does not generate the external benefits of \$107/MW associated with biomass projects. Wind does not replace biomass energy and is not a substitute for biomass energy.

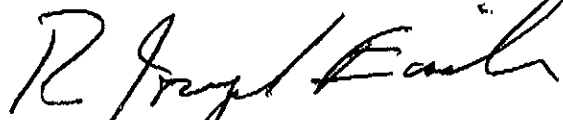
Wind does not provide base load energy and therefore must be duplicated by additional power plants that can provide base load. Wind does not dispose of biomass or tires or other materials that will result in dangerous emissions, greenhouse gases or other pollutants. Wind does not provide the jobs and associated economic benefits to the community that biomass energy provides.

Pages 25,26 Again the CPA shows over reliance on wind, i.e., 77%. For the reasons stated above this over reliance is misplaced. The fact that the CEC's auction program distributed 75% to wind neither supports nor is justification for such over reliance. The fact is that the CEC auction favored large projects over small projects. Bids were accepted based on the lowest cents per KWH with a cap of \$2,000,000 per year and \$10,000,000 over five years. Thus a 100 MW project could bid in at 1/10 the cost per MWH of a 10 MW project and still use up the entire \$10,000,000.

For the reasons stated above, wind is not a substitute for biomass. They each have a role. Energy diversity and the environmental benefits of disposing of biomass and other waste streams that are injurious to the public's health require biomass energy. Thank you for your time and attention. Please feel free to call me if you or your colleagues have any questions.

Respectfully,

ENERGY PRODUCTS OF IDAHO



R. Joseph Eisele

Director of Business Development

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